**9th July 2018** **ASX RELEASE**

# HIGH GRADE ZINC, LEAD AND COPPER CONFIRMED

- **Surface rock sampling results provide confirmation of historical high-grade mineralisation and the significant potential of the Milford Project as a major Zinc-Lead-Copper target. Peak values recorded greater than 30% Zn**
- **Results confirm that mineralisation is present across all three of the Company's prospects within the broader Milford Project. Significantly, high-grade Copper values were also returned in a large number of samples, up to 8.52% Cu, compared to historical samples from previous exploration work undertaken.**
- **Select rock chip assay results from the 100% owned Milford Project include:**
  - ***ML18006 assay returned > 30% Zn & 3.52% Cu***
  - ***ML18030 assay returned > 30% Zn, 2.38% Pb & 1.06% Cu***
  - ***ML18007 assay returned 28.4% Zn***
  - ***ML18035 assay returned 26.4% Zn, 10.65% Pb and 1.72% Cu***
  - ***ML18044 assay returned 26.4% Zn, 12.75% Pb & 1.20% Cu***
  - ***ML18019 assay returned 22.9% Zn & 10.5% Pb***
  - ***ML18025 assay returned 20.9% Zn & 8.58% Pb***
  - ***ML18031 assay returned 19.35% Zn***
  - ***ML18009 assay returned 16.35% Zn & 5.22% Pb***
  - ***ML18036 assay returned 14.05% Zn & 5.10% Pb***
  - ***ML18024 assay returned 12.7% Zn, 5.67% Pb & 6.34% Cu***
  - ***ML18021 assay returned 12.55% Zn & 12.20% Pb***
  - ***ML18012 assay returned 12.15% Zn, 17.3% Pb & 2.81% Cu***
  - ***ML18027 assay returned 2.87% Zn, >20% Pb & 8.32% Cu***
- **Follow-up mapping and trenching work is to commence immediately under the continued phase 1 exploration program to define drilling targets**
- **Permitting procedures are to be fast-tracked to advance toward a phase 2 exploration program, which will include the Company's maiden drilling program, scheduled for Q3 2018**

Tao Commodities Limited ("TAO" or "the Company") (ASX: TAO) is pleased to announce that assays have been received from 88 rock chip samples collected recently at the 100% owned Milford Project located in Beaver County, Utah, USA.

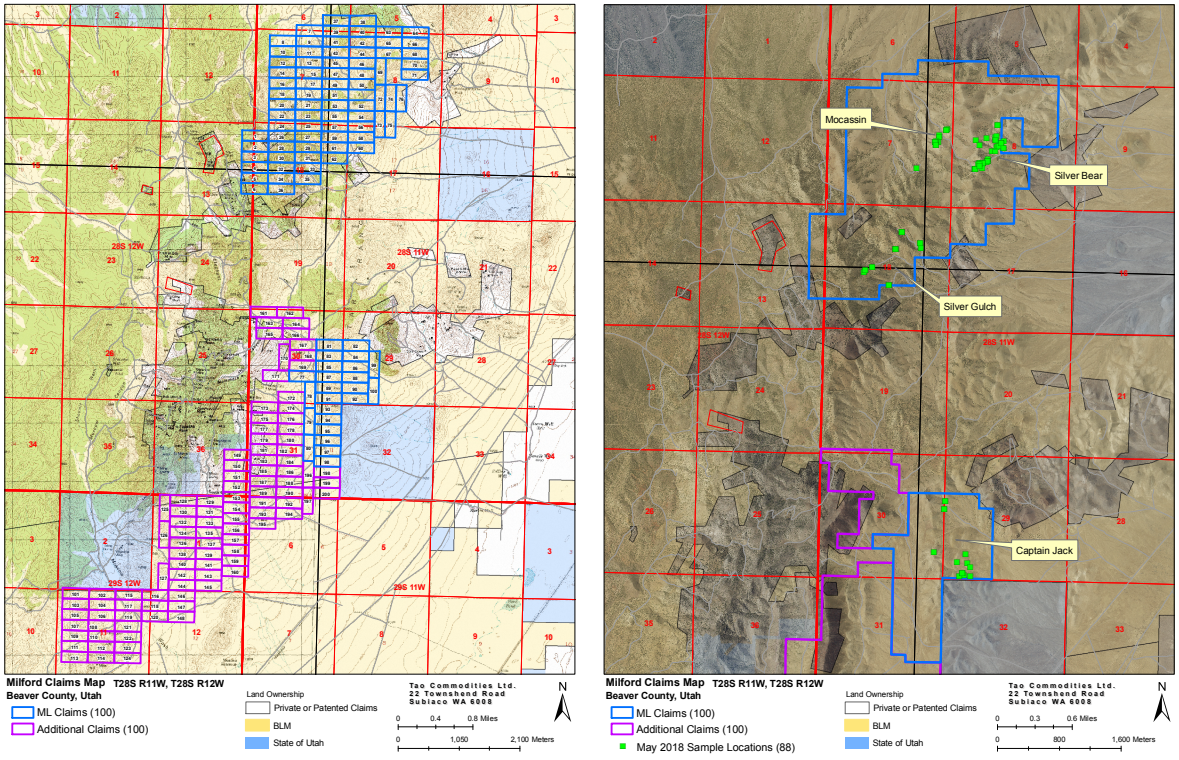


**Figure 1 & 2 – Milford Project & location of the 88 samples collected during the phase 1 exploration program**

The assay results received provide confirmation of the historical work undertaken by Firestrike Limited (during 2013) and also confirms the significant potential of the Milford Project as a high grade Zinc, Lead and Copper target. Mineralisation was identified across all three of the prospects contained within the broader Milford Project. Peak Values for Zinc were recorded above the cutoff sampling grade of 30.0% and also particularly encouraging to the Company was a number of assays returned significant values of Copper, ranging as high as 8.52% Cu, which was not identified during the 2013 Firestrike exploration program.

Highlights of the rock chip sample assay results from the 100% owned Milford Project include:

- ***ML18006 assay returned > 30% Zn & 3.52% Cu***
- ***ML18030 assay returned > 30% Zn, 2.38% Pb & 1.06% Cu***
- ***ML18007 assay returned 28.4% Zn***
- ***ML18035 assay returned 26.4% Zn, 10.65% Pb and 1.72% Cu***
- ***ML18044 assay returned 26.4% Zn, 12.75% Pb & 1.20% Cu***
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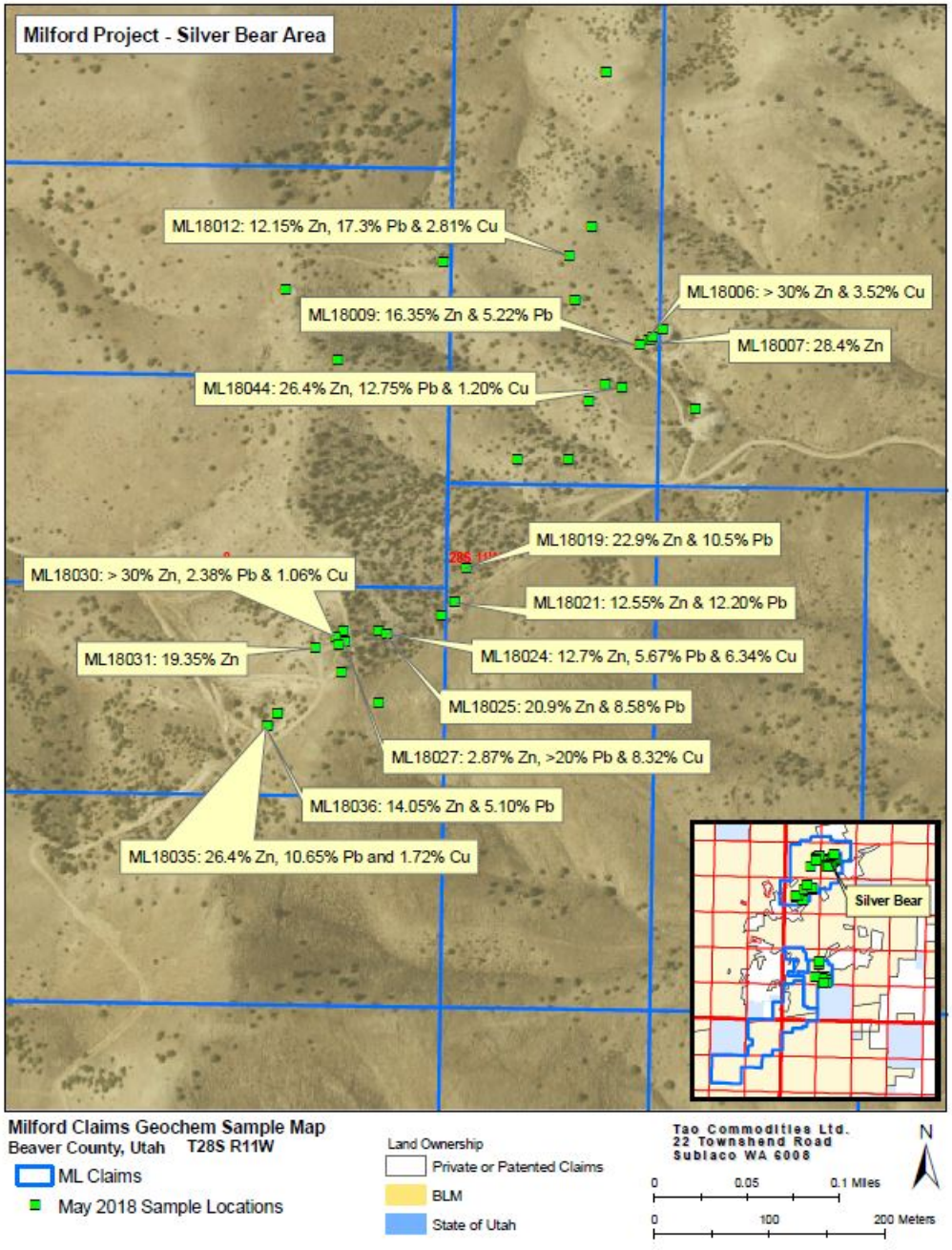


***Figure 3: Select assays from the phase 1 exploration sampling program***

TAO Managing Director Patrick Glovac commented: “The results are extremely exciting for shareholders, confirming high-grade mineralisation is present, most importantly, at surface and at all three prospect areas within the broader Milford Project.

The Company is continuing with its Phase 1 exploration program with further sampling, trenching and structural mapping to commence in the coming weeks. The program has also been expanded to incorporate the recently announced additional 100 mining claims to the south west of the original Milford Project.

In addition, the Company is working with Harrison Land Services LLC to expedite the permitting process in an effort to be able to move into the Phase 2 exploration, which will include a maiden drilling program.

**Figure 4 & 5. Outcropping and surface mineralisation found at Milford Project**

**Figure 6. Vegetation and elevation looking south from the Milford Project**

The Company will continue to update shareholders on the exploration progress over the coming weeks.

**END**

For further information, please contact

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TAO Commodities Limited
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## Appendix 1: Table of Results

| | | | | Recvd Wt. | Ag | Cu | Cu | Pb | Pb | Zn | Zn |
|---|---|---|---|---|---|---|---|---|---|---|---|
| SAMPLE | Sample Type | UTM E | UTM N | kg | ppm | ppm | % | ppm | % | ppm | % |
| ML18001 | Chip | 315415.00 | 4251130.10 | 0.36 | 139 | 8630 | | >10000 | 6.31 | >10000 | 6.61 |
| ML18002 | Chip | 315415.00 | 4251130.10 | 0.44 | 213 | 41.2 | | >10000 | 19.2 | 369 | |
| ML18003 | Chip | 315421.76 | 4251221.55 | 0.28 | 275 | >10000 | 1.35 | 2330 | | 501 | |
| ML18004 | Chip | 315386.56 | 4251198.48 | 0.44 | 57.2 | 46.9 | | >10000 | 5.33 | 323 | |
| ML18005 | Chip | 315386.56 | 4251198.48 | 0.32 | 34.2 | 49.8 | | >10000 | 18.15 | >10000 | 6.3 |
| ML18006 | Chip | 315374.41 | 4251189.32 | 0.4 | 25.1 | >10000 | 3.52 | 8710 | | >10000 | >30.0 |
| ML18007 | Chip | 315376.44 | 4251189.09 | 0.52 | 9.18 | 8260 | | 4340 | | >10000 | 28.4 |
| ML18008 | Chip | 315377.66 | 4251191.47 | 0.44 | 3.49 | 1625 | | 676 | | >10000 | 2.12 |
| ML18009 | Chip | 315367.03 | 4251185.24 | 0.62 | 95.9 | 4780 | | >10000 | 5.22 | >10000 | 16.35 |
| ML18010 | Chip | 315309.98 | 4251225.22 | 0.3 | 36.5 | >10000 | 1.31 | >10000 | 7.4 | >10000 | 1.535 |
| ML18011 | Chip | 315309.98 | 4251225.22 | 0.32 | 25.6 | 2330 | | 4620 | | >10000 | 9.93 |
| ML18012 | Chip | 315305.04 | 4251263.83 | 0.36 | 147 | >10000 | 2.81 | >10000 | 17.3 | >10000 | 12.15 |
| ML18013 | Chip | 315325.13 | 4251288.72 | 0.34 | 316 | 4320 | | >10000 | 7.71 | 4770 | |
| ML18014 | Chip | 315336.96 | 4251423.54 | 0.36 | 126 | 321 | | >10000 | >20.0 | >10000 | 3.71 |
| ML18015 | Chip | 315336.96 | 4251423.54 | 0.36 | 2.2 | 321 | | 3410 | | 1530 | |
| ML18016 | Chip | 315195.22 | 4251257.65 | 0.3 | 1.83 | 27.3 | | 603 | | 251 | |
| ML18017 | Chip | 315057.77 | 4251233.97 | 0.52 | 1.07 | 40 | | 647 | | 355 | |
| ML18018 | Chip | 315103.10 | 4251172.04 | 0.38 | 182 | 1245 | | >10000 | 5.9 | 8040 | |
| ML18019 | Chip | 315215.32 | 4250990.89 | 0.48 | 511 | 9800 | | >10000 | 10.5 | >10000 | 22.9 |
| ML18020 | Chip | 315204.72 | 4250960.60 | 0.42 | 575 | >10000 | 3.55 | >10000 | 12.25 | >10000 | 4.69 |
| ML18021 | Chip | 315204.72 | 4250960.60 | 0.38 | 425 | 3840 | | >10000 | 12.2 | >10000 | 12.55 |
| ML18022 | Chip | 315204.72 | 4250960.60 | 0.34 | 156 | 1455 | | >10000 | 7.85 | 5090 | |
| ML18023 | Chip | 315193.39 | 4250949.01 | 0.46 | 2.62 | 123.5 | | 1220 | | 472 | |
| ML18024 | Chip | 315146.41 | 4250933.25 | 0.32 | 114 | >10000 | 6.34 | >10000 | 5.67 | >10000 | 12.7 |
| ML18025 | Chip | 315146.41 | 4250933.25 | 0.46 | 563 | 1740 | | >10000 | 8.58 | >10000 | 20.9 |
| ML18026 | Chip | 315138.47 | 4250936.02 | 0.32 | 3.4 | 110 | | 2250 | | 1140 | |
| ML18027 | Chip | 315109.56 | 4250926.69 | 0.34 | 765 | >10000 | 8.32 | >10000 | >20.0 | >10000 | 2.87 |
| ML18028 | Chip | 315103.94 | 4250923.25 | 0.32 | 179 | 905 | | >10000 | 9.32 | >10000 | 1.3 |
| ML18029 | Chip | 315108.16 | 4250935.42 | 0.36 | 15.3 | 1890 | | >10000 | 2.84 | >10000 | 12.2 |
| ML18030 | Chip | 315101.07 | 4250931.14 | 0.64 | 16.3 | >10000 | 1.06 | >10000 | 2.38 | >10000 | >30.0 |
| ML18031 | Chip | 315083.93 | 4250920.62 | 0.34 | 10.7 | 4180 | | 4140 | | >10000 | 19.35 |
| ML18032 | Chip | 315105.87 | 4250899.69 | 0.36 | 0.79 | 45.1 | | 111.5 | | 1380 | |
| ML18033 | Chip | 315138.63 | 4250873.28 | 0.36 | 0.43 | 386 | | 230 | | 556 | |
| ML18034 | Chip | 315042.03 | 4250853.11 | 0.34 | 0.38 | 12.5 | | 58.1 | | 267 | |
| ML18035 | Chip | 315042.03 | 4250853.11 | 0.44 | 443 | >10000 | 1.72 | >10000 | 10.65 | >10000 | 26.4 |
| ML18036 | Chip | 315042.03 | 4250853.11 | 0.44 | 584 | 904 | | >10000 | 5.1 | >10000 | 14.05 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ML18037 | Chip | 315050.56 | 4250862.91 | 0.34 | 618 | >10000 | 2.05 | >10000 | 8.78 | >10000 | 9.99 |
| ML18038 | Chip | 315050.56 | 4250862.91 | 0.36 | 520 | 3060 | | >10000 | 10.2 | >10000 | 7.99 |
| ML18039 | Chip | 315050.56 | 4250862.91 | 0.34 | 1045 | >10000 | 3.93 | >10000 | 7 | 8270 | |
| ML18040 | Chip | 315259.72 | 4251085.17 | 0.36 | 295 | 8060 | | >10000 | 3.93 | >10000 | 7.84 |
| ML18041 | Chip | 315304.44 | 4251085.26 | 0.42 | 935 | 3850 | | >10000 | 19.5 | >10000 | 6.13 |
| ML18042 | Chip | 315322.51 | 4251136.29 | 0.32 | 712 | >10000 | 2.27 | >10000 | 7.49 | >10000 | 1.695 |
| ML18043 | Chip | 315336.39 | 4251151.15 | 0.34 | 2030 | >10000 | 4.08 | >10000 | 4.58 | 1360 | |
| ML18044 | Chip | 315351.18 | 4251148.03 | 0.42 | 607 | >10000 | 1.205 | >10000 | 12.75 | >10000 | 26.4 |
| ML18045 | Chip | 314288.57 | 4250866.56 | 0.34 | 185 | 6590 | | 4360 | | 3490 | |
| ML18046 | Chip | 314671.78 | 4251366.28 | 0.34 | 83.3 | 6280 | | >10000 | 4.83 | 3020 | |
| ML18047 | Chip | 314671.78 | 4251366.28 | 0.28 | 558 | 1270 | | >10000 | >20.0 | 2160 | |
| ML18048 | Chip | 314681.30 | 4251374.57 | 0.4 | 1180 | 1590 | | >10000 | >20.0 | >10000 | 2.71 |
| ML18049 | Chip | 314578.18 | 4251292.37 | 0.38 | 1005 | >10000 | 2.17 | >10000 | 3.68 | >10000 | 9.21 |
| ML18050 | Chip | 314577.04 | 4251261.86 | 0.36 | 109 | 592 | | 2460 | | 699 | |
| ML18051 | Chip | 314566.32 | 4251201.04 | 0.4 | 58.7 | 5140 | | >10000 | 11.4 | 3160 | |
| ML18052 | Chip | 314543.41 | 4251218.22 | 0.36 | 2680 | 10000 | 0.999 | 7830 | | 427 | |
| ML18053 | Chip | 314531.81 | 4251201.47 | 0.46 | 1980 | >10000 | 2.34 | >10000 | 8.2 | 3330 | |
| ML18054 | Chip | 314531.81 | 4251201.47 | 0.5 | 3620 | 4150 | | >10000 | >20.0 | 106 | |
| ML18055 | Chip | 314531.81 | 4251201.47 | 0.38 | 1510 | 8520 | | >10000 | >20.0 | >10000 | 2.79 |
| ML18056 | Chip | 314534.07 | 4251173.10 | 0.42 | 1635 | 5230 | | >10000 | >20.0 | 2900 | |
| ML18057 | Chip | 314534.07 | 4251173.10 | 0.32 | 268 | 2830 | | >10000 | 11.85 | 4040 | |
| ML18058 | Chip | 313929.41 | 4249347.73 | 0.38 | 3900 | 3910 | | >10000 | 4.32 | >10000 | 2.61 |
| ML18059 | Chip | 313929.41 | 4249347.73 | 0.38 | 59.7 | 383 | | 2910 | | 1700 | |
| ML18060 | Chip | 313715.68 | 4249586.96 | 0.38 | 2920 | 4870 | | >10000 | 9.4 | >10000 | 6.09 |
| ML18061 | Chip | 313715.68 | 4249586.96 | 0.56 | 1130 | 447 | | >10000 | 6.42 | >10000 | 2.18 |
| ML18062 | Chip | 313619.87 | 4249538.65 | 0.36 | 1140 | 663 | | >10000 | >20.0 | >10000 | 4.54 |
| ML18063 | Chip | 313619.87 | 4249538.65 | 0.32 | 213 | 375 | | >10000 | 9.88 | >10000 | 15.7 |
| ML18064 | Chip | 313605.47 | 4249520.85 | 0.48 | 33.4 | 36.2 | | 4900 | | 6420 | |
| ML18065 | Chip | 314010.61 | 4249817.39 | 0.34 | 8.98 | 5330 | | 577 | | 413 | |
| ML18066 | Chip | 314010.61 | 4249817.39 | 0.38 | 1.63 | 603 | | 315 | | 226 | |
| ML18067 | Chip | 314010.61 | 4249817.39 | 0.56 | 1.33 | 890 | | 357 | | 444 | |
| ML18068 | Chip | 314338.02 | 4249896.26 | 0.3 | 1.86 | 30.4 | | 222 | | 62 | |
| ML18069 | Chip | 314338.02 | 4249896.26 | 0.36 | 0.97 | 171.5 | | 145.5 | | 55 | |
| ML18070 | Chip | 314340.40 | 4249829.22 | 0.42 | 0.8 | 179.5 | | 142 | | 194 | |
| ML18071 | Chip | 314095.88 | 4250034.16 | 0.28 | 1.16 | 8250 | | 189 | | 308 | |
| ML18072 | Chip | 314095.88 | 4250034.16 | 0.44 | 0.75 | 857 | | 92.3 | | 92 | |
| ML18073 | Chip | 314095.88 | 4250034.16 | 0.5 | 0.69 | 3060 | | 116.5 | | 159 | |
| ML18074 | Chip | 314921.12 | 4245864.12 | 0.34 | 0.42 | 47.2 | | 89.9 | | 177 | |
| ML18075 | Chip | 314943.29 | 4245737.96 | 0.28 | 0.49 | 17.1 | | 127.5 | | 53 | |
| ML18076 | Chip | 314983.05 | 4245685.60 | 0.32 | 0.34 | 21.5 | | 62.2 | | 53 | |
| ML18077 | Chip | 314981.24 | 4245568.50 | 0.34 | 0.25 | 66.7 | | 56.4 | | 45 | |
| ML18078 | Chip | 314901.83 | 4245582.17 | 0.34 | 0.24 | 13.2 | | 59.9 | | 25 | |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ML18079 | Chip | 314844.36 | 4245574.23 | 0.4 | 0.31 | 3.9 | | 31.4 | | 23 | |
| ML18080 | Chip | 314876.54 | 4245604.58 | 0.38 | 2.57 | 10.7 | | 66 | | 60 | |
| ML18081 | Chip | 314876.54 | 4245604.58 | 0.4 | 0.89 | 9.4 | | 91.3 | | 65 | |
| ML18082 | Chip | 314876.54 | 4245604.58 | 0.48 | 1.73 | 13.5 | | 107 | | 65 | |
| ML18083 | Chip | 314813.41 | 4245755.93 | 0.32 | 0.19 | 12.9 | | 29.5 | | 39 | |
| ML18084 | Chip | 314647.97 | 4246446.66 | 0.38 | 98 | 3540 | | 2580 | | 123 | |
| ML18085 | Chip | 314647.97 | 4246446.66 | 0.3 | 12.1 | 415 | | 580 | | 124 | |
| ML18086 | Chip | 314656.86 | 4246541.95 | 0.26 | 20.5 | 15 | | 58.7 | | 168 | |
| ML18087 | Chip | 314656.86 | 4246541.95 | 0.28 | 0.86 | 5.5 | | 40.4 | | 74 | |
| ML18088 | Chip | 314510.98 | 4245882.98 | 0.42 | 1110 | 1645 | | 1070 | | 353 | |

## Appendix 2:

**Competent Persons Statement – JORC Code 2012**

The information in this Report that relates to Exploration Results of the Company has been reviewed by Bradley C. Peek, MSc. who is a Member of the American Institute of Professional Geologists (CPG #11299). Mr. Peek is a consultant to independent contractor Harrison Land Services, LLC and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code 2012"). Mr. Peek consents to the inclusion in this Report of the matters based on the information in the form and context in which they appear.

**Forward looking statements**

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give

any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based

**Appendix 3:**

**JORC Code, 2012 Edition – Table 1 report**

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • A total of 88 geochem samples were collected as random chips from historically existing mining and exploration workings. This includes from sites such as mine dumps, prospect pits & trenches, and adjacent mineralised outcrops. Equipment used was predominately hand-held hammer for the collection of rock fragments. Samples were not necessarily representative of average grade of the area being sampled. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Drilling techniques* | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • No drilling conducted. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • No drilling conducted. |
| *Logging* | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • Brief descriptions of samples have been collected in field notes but not to a level of detail that would support mineral estimation, mining studies and metallurgical studies. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • Chip samples were placed directly into calico bags at the site location from which they were collected. No repeat or check samples have yet been submitted for analysis. Each sample was weighed at the preparation laboratory and the weights recorded along with the analytical results. No specific quality control procedure has been adopted for the collection of samples other than due care was exercised to maintain a uniform sample. Samples were shipped to ALS Global laboratories in Reno, Nevada for drying, pulverizing, and splitting to prepare a pulp of approximately 200g which was then shipped to ALS Global laboratories in Vancouver, Canada for analytical determinations. |
| *Quality of assay data and* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and* | • Assays were prepared and performed by ALS Global – Geochemistry Analytical Labs in |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *laboratory tests* | *whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | Reno, Nevada USA and Vancouver, BC Canada using a four acid digestion method with an ICP-MS finish. Average sample weight submitted for prep was 0.38kg and range from 0.26kg to 0.64kg. Samples were pulverized to minus 75 microns before a 250g riffle split was sent to ALS Vancouver lab for analysis. This is an accepted industry analytical process appropriate for the nature and style of mineralization under investigation. No company generated standards or blanks were incorporated into the sampling procedure. ALS undertook their own internal checks and blanks. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Little verification work has been conducted yet due to the preliminary stage of the project. This will be incorporated into the future work programs now that analytical results from this initial sampling are known. No adjustment to the assay data has been performed. |
| *Location of data points* | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Location of samples were recorded by hand held GPS. The GPS recorded locations used the NAD83 datum UTM Zone 12N. Accuracy is limited to approximately 3 meters. |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • Samples were collected at previously known mining and prospect sites. The data is not expected to be incorporated into any Mineral and Ore Reserve estimation and is primarily an initial exploration reconnaissance sampling program. |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if* | • Not applicable. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *material.* | |
| *Sample security* | • *The measures taken to ensure sample security.* | • Company personnel collected the samples and transported them to the assay laboratory in Reno, Nevada. The samples remained in the possession of the personnel or under lock and key at all times prior to their delivery to the laboratory. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • The Competent Person and other company personnel have reviewed the data for accuracy and completeness. |

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | The TAO Commodities Ltd. project is located on unpatented Federal lode mining claims in the USA on land administered by the U.S. Bureau of Land Management. The Competent Person has accessed the USA Federal government websites to confirm that all of the mining claims are held by the party indicated in the agreement.<br>TAO Commodities Ltd. will obtain local, state and/or federal permits to operate in their project areas as required. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • Extensive historical mining and exploration activity beginning in the late 1800's is evident within the project area. Limited modern-day exploration techniques and methods have been conducted.<br>• Firestrike Resources Ltd and J/V partner Escalante Mines LLC performed rock chip sampling of historic mine dumps and prospect pits during 2011-2013. They also completed a 2000m RC drilling program during 2012 on the Coronado Prospect which lies outside of the current project area. Results of this campaign are contained in Firestrike Resources Limited ASX announcement release dated 5 February 2013, "Widespread high grade silver, lead and zinc along with elevated copper and gold discovered at surface."<br>• Agricola Mining Consultants Pty Ltd completed an independent technical review of the project during September |

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|---|---|---|
| | | 2017. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • The project area lies within a structurally controlled Basin & Range type mountain range. Epithermal and replacement type mineralisation occurs along structural corridors in reactive sedimentary host rocks. |
| *Drill hole Information* | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>o *easting and northing of the drill hole collar*<br>o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>o *dip and azimuth of the hole*<br>o *down hole length and interception depth*<br>o *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • No drilling conducted. |
| *Data aggregation methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • The assay results are based on random chip sample assays. No data aggregation methods, weighting of results or top cuts have been applied. |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg* | • These are point assays of chip samples from historic mines and prospect sites. The relationship between assay results and mineralisation widths has yet to be determined. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *'down hole length, true width not known').* | |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • A 1:4,000 scale sample location map with highlighted assay results is contained in the announcement. |
| *Balanced reporting* | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • All results have been reported, unmodified. |
| *Other substantive exploration data* | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • The evaluation of old workings, previous mining activity, and interpretations of satellite imagery is ongoing. At this stage, the sample results in this release simply relate to the surface sampling as it stands. Further geological work including detailed prospect scale mapping and verification of samples and sample sited will be needed to improve confidence in the results. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Follow-up mapping and trenching work will commence immediately under the continued phase 1 exploration program to define drilling targets. Permitting procedures are be fast tracked to advance towards a Phase 2 exploration program, which will include the Company's maiden drilling program, tentatively scheduled for Q3 2018. |